

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1967

Introduced by Assembly Member Pan

February 19, 2014

An act to amend Section 14124.24 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1967, as amended, Pan. Drug Medi-Cal.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law establishes the Drug Medi-Cal Treatment Program (Drug Medi-Cal) under which the department is authorized to enter into contracts with counties for various drug treatment services to Medi-Cal recipients, or is required to directly arrange for these services if a county elects not to do so. *Existing law requires a county to negotiate contracts only with providers certified to provide Drug Medi-Cal services.* Existing law defines Drug Medi-Cal reimbursable services for purposes of these provisions.

This bill would *require the department to promptly notify each county that currently contracts with a certified provider for Drug Medi-Cal services if the department has commenced or concluded an investigation of the provider. The bill would also make technical, nonsubstantive changes to that definition. the definition of Drug Medi-Cal reimbursable services.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14124.24 of the Welfare and Institutions
2 Code is amended to read:
3 14124.24. (a) For purposes of this section, “Drug Medi-Cal
4 reimbursable services” means the substance use disorder services
5 described in the California State Medicaid Plan and includes, but
6 is not limited to, all of the following services, administered by the
7 department, and to the extent consistent with state and federal law:
8 (1) Narcotic treatment program services, as set forth in Section
9 14021.51.
10 (2) Day care rehabilitative services.
11 (3) Perinatal residential services for pregnant women and women
12 in the postpartum period.
13 (4) Naltrexone services.
14 (5) Outpatient drug-free services.
15 (6) Other services upon approval of a federal Medicaid state
16 plan amendment or waiver authorizing federal financial
17 participation.
18 (b) (1) While seeking federal approval for any federal Medicaid
19 state plan amendment or waiver associated with Drug Medi-Cal
20 services, the department shall consult with the counties and
21 stakeholders in the development of the state plan amendment or
22 waiver.
23 (2) Upon federal approval of a federal Medicaid state plan
24 amendment authorizing federal financial participation in the
25 following services, and subject to appropriation of funds, “Drug
26 Medi-Cal reimbursable services” shall also include the following
27 services, administered by the department, and to the extent
28 consistent with state and federal law:
29 (A) Notwithstanding subdivision (a) of Section 14132.90, day
30 care habilitative services, which, for purposes of this paragraph,
31 are outpatient counseling and rehabilitation services provided to
32 persons with substance use disorder diagnoses.
33 (B) Case management services, including supportive services
34 to assist persons with substance use disorder diagnoses in gaining
35 access to medical, social, educational, and other needed services.

1 (C) Aftercare services.

2 (c) (1) The nonfederal share for Drug Medi-Cal services shall
3 be funded through a county's Behavioral Health Subaccount of
4 the Support Services Account of the Local Revenue Fund 2011,
5 and any other available county funds eligible under federal law
6 for federal Medicaid reimbursement. The funds contained in each
7 county's Behavioral Health Subaccount of the Support Services
8 Account of the Local Revenue Fund 2011 shall be considered state
9 funds distributed by the principal state agency for the purposes of
10 receipt of the federal block grant funds for prevention and treatment
11 of substance abuse found at Subchapter XVII of Chapter 6A of
12 Title 42 of the United States Code. Pursuant to applicable federal
13 Medicaid law and regulations including Section 433.51 of Title
14 42 of the Code of Federal Regulations, counties may claim
15 allowable Medicaid federal financial participation for Drug
16 Medi-Cal services based on the counties certifying their actual
17 total funds expenditures for eligible Drug Medi-Cal services to
18 the department.

19 (2) (A) If the director determines that a county's provision of
20 Drug Medi-Cal treatment services are disallowed by the federal
21 government or by state or federal audit or review, the impacted
22 county shall be responsible for repayment of all disallowed federal
23 funds. In addition to any other recovery methods available,
24 including, but not limited to, offset of Medicaid federal financial
25 participation funds owed to the impacted county, the director may
26 offset these amounts in accordance with Section 12419.5 of the
27 Government Code.

28 (B) A county subject to an action by the director pursuant to
29 subparagraph (A) may challenge that action by requesting a hearing
30 in writing no later than 30 days from receipt of notice of the
31 department's action. The proceeding shall be conducted in
32 accordance with Chapter 5 (commencing with Section 11500) of
33 Part 1 of Division 3 of Title 2 of the Government Code, and the
34 director has all the powers granted therein. Upon a county's timely
35 request for hearing, the county's obligation to make payment as
36 determined by the director shall be stayed pending the county's
37 exhaustion of administrative remedies provided herein but no
38 longer than will ensure the department's compliance with Section
39 1903(d)(2)(C) of the federal Social Security Act (42 U.S.C. Sec.
40 1396b).

1 (d) Drug Medi-Cal services are only reimbursable to Drug
2 Medi-Cal providers with an approved Drug Medi-Cal contract.

3 (e) Counties shall negotiate contracts only with providers
4 certified to provide Drug Medi-Cal services.

5 (f) The department shall develop methods to ensure timely
6 payment of Drug Medi-Cal claims.

7 (g) (1) A county or a contracted provider, except for a provider
8 to whom subdivision (h) applies, shall submit accurate and
9 complete cost reports for the previous fiscal year by November 1,
10 following the end of the fiscal year. The department may settle
11 Drug Medi-Cal reimbursable services, based on the cost report as
12 the final amendment to the approved county Drug Medi-Cal
13 contract.

14 (2) Amounts paid for services provided to Drug Medi-Cal
15 beneficiaries shall be audited by the department in the manner and
16 form described in Section 14170.

17 (3) Administrative appeals to review grievances or complaints
18 arising from the findings of an audit or examination made pursuant
19 to this section shall be subject to Section 14171.

20 (h) Certified narcotic treatment program providers that are
21 exclusively billing the state or the county for services rendered to
22 persons subject to Section 1210.1 or 3063.1 of the Penal Code or
23 Section 14021.52 of this code shall submit accurate and complete
24 performance reports for the previous state fiscal year by November
25 1 following the end of that fiscal year. A provider to which this
26 subdivision applies shall estimate its budgets using the uniform
27 state daily reimbursement rate. The format and content of the
28 performance reports shall be mutually agreed to by the department,
29 the County Alcohol and Drug Program Administrators' Association
30 of California, and representatives of the treatment providers.

31 (i) Contracts entered into pursuant to this section shall be exempt
32 from the requirements of Chapter 1 (commencing with Section
33 10100) and Chapter 2 (commencing with Section 10290) of Part
34 2 of Division 2 of the Public Contract Code.

35 (j) Annually, the department shall publish procedures for
36 contracting for Drug Medi-Cal services with certified providers
37 and for claiming payments, including procedures and specifications
38 for electronic data submission for services rendered.

39 (k) *If the department commences or concludes an investigation*
40 *of a certified provider, the department shall promptly notify each*

1 *county that currently contracts with the provider for Drug*
2 *Medi-Cal services that an investigation has commenced or*
3 *concluded, as applicable.*

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